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FLOOR DEBATE

April 13, 2004      LB 320, 679, 1097, 1208

it was amended out of the Retirement Committee by a unanimous vote. When LB 679 was originally introduced, it contained three separate benefits; a joint and survival benefit, an early retirement benefit at age 60, a reduced early retirement benefit at age 55. A compromise proposal was worked out which contains only one of these benefits, the joint and survivor benefit with a 90 day opt in provision. This proposal was contained in LB 1208, as introduced by Senator Brashear to the Retirement Committee. This amendment would make a change to the current retirement benefit received by judges and would allow for an enhanced joint and survivor benefit in instances where a judge dies with a surviving spouse. Basically, and you do have a handout, a blue handout that is on your desk, which covers most of these provisions but, basically, this would allow a judge first serving after the effective date of the act or a currently sitting judge who elects to make contributions and receive benefits under the act to contribute monthly 8 percent of his or her monthly compensation to the fund. And such contributions would continue until the maximum benefit is received, which is 20 years. Once the maximum benefit is received, that contribution will be reduced to 4 percent of the judge's monthly income. A sitting judge who does not elect to contribute and receive benefits under this provision will continue to contribute monthly the current statutory rate of 6 percent of his or her monthly income until the maximum benefit is earned, or 0 percent in the case where the judge has more than 20 years of service in the plan. This increased contribution and benefit will be an opt-in benefit for judges who are currently sitting on the bench. And if a judge does not want this additional benefit, then he or she can choose not to opt into the benefit, and their contribution rate will remain at the current level which is either 6 or 0 percent, in the case where the judge has more than 20 years. The opt-in provision was proposed by the judges as a mechanism that would alleviate the concerns brought in the lawsuit filed as a result of LB 320. Because judges have the choice to increase their contributions in exchange for this benefit, there will not be an increase in the contribution rate without a corresponding retirement benefit. Also it should be stated that if this amendment is adopted, it should take care of the portion of the lawsuit currently before the federal district court because it will modify the contribution rate passed in